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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2003

Report of the Secretary-General*

Summary

The present report provides information on the updated financial position as at 30 June 2003 for 18 closed peacekeeping missions.

The 18 missions include the Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA); the United Nations Mission in Haiti (UNMIH); the United Nations Observer Group in Central America (ONUCA) and the United Nations Observer Mission in El Salvador (ONUSAL); the United Nations Operation in Mozambique (ONUMOZ); the United Nations Operation in Somalia (UNOSOM); the United Nations Preventive Deployment Force (UNPREDEP); the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (UNPF); the United Nations Support Mission in Haiti (UNSMIH), the United Nations Civilian Police Mission in Haiti (MIPONUH); the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group; the United Nations Transitional Authority in Cambodia (UNTAC); the United Nations Mission of Observers in Tajikistan (UNMOT); the United Nations Angola Verification Mission (UNAVEM) and the United Nations Observer Mission in Angola (MONUA); the United Nations Observer Mission in Liberia (UNOMIL); the United Nations Observer Mission Uganda-Rwanda (UNOMUR) and the United Nations Assistance Mission for Rwanda (UNAMIR); the United Nations Military Liaison Team in Cambodia (UNMLT); the United Nations Iran-Iraq Military

* The present report was delayed owing to a decision on the note of the Secretary-General of 1 March 2004 and availability of financial information by 15 April 2004.

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Observer Group (UNIIMOG); the United Nations Mission in the Central African Republic (MINURCA); and the United Nations Transition Assistance Group (UNTAG).

The action to be taken by the General Assembly is set out in paragraph 13 of the present report.

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I. Introduction

1. Pursuant to General Assembly resolution 57/323 of 18 June 2003, the present report provides updated information on the financial position of the following closed peacekeeping missions for which final performance reports have already been issued: the Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA); the United Nations Mission in Haiti (UNMIH); the United Nations Observer Group in Central America (ONUCA) and the United Nations Observer Mission in El Salvador (ONUSAL); the United Nations Operation in Mozambique (ONUMOZ); the United Nations Operation in Somalia (UNOSOM); the United Nations Preventive Deployment Force (UNPREDEP); the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (UNPF); the United Nations Support Mission in Haiti (UNSMIH), the United Nations Transition Mission in Haiti (UNTMIH) and the United Nations Civilian Police Mission in Haiti (MIPONUH); the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group; the United Nations Transitional Authority in Cambodia (UNTAC); the United Nations Mission of Observers in Tajikistan (UNMOT); the United Nations Angola Verification Mission (UNAVEM) and the United Nations Observer Mission in Angola (MONUA); the United Nations Observer Mission in Liberia (UNOMIL); the United Nations Observer Mission Uganda-Rwanda (UNOMUR) and the United Nations Assistance Mission for Rwanda (UNAMIR); the United Nations Military Liaison Team in Cambodia (UNMLT); the United Nations Iran-Iraq Military Observer Group (UNIIMOG); the United Nations Mission in the Central African Republic (MINURCA) and the United Nations Transition Assistance Group (UNTAG).

2. By its resolution 57/323, the General Assembly requested the Secretary-General to return 50 per cent of the net cash available for credit to Member States as at 30 June 2002, in the amount of $84,446,000, by 30 June 2003 and decided to postpone the return of the remaining 50 per cent until 31 March 2004 in respect of the fund balances of the United Nations Mission in Haiti (UNMIH); the United Nations Observer Group in Central America (ONUCA) and the United Nations Observer Mission in El Salvador (ONUSAL); the United Nations Preventive Deployment Force (UNPREDEP); the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (UNPF); the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group; the United Nations Angola Verification Mission (UNAVEM) and the United Nations Observer Mission in Angola (MONUA); the United Nations Observer Mission Uganda-Rwanda (UNOMUR) and the United Nations Assistance Mission for Rwanda (UNAMIR); the United Nations Mission of Observers in Tajikistan (UNMOT); the United Nations Transition Assistance Group (UNTAG) and the United Nations Observer Mission in Liberia (UNOMIL).

3. By its resolution 58/288 of 8 April 2004, the General Assembly subsequently decided to postpone the return of the amount of $84,446,000 until 30 June 2004.

4. The net cash available for credit to Member States as at 30 June 2003 amounted to $178,684,000, inclusive of the amount of $84,446,000 that has not yet been credited to Member States as set out in table 1 below.

Table 1
Consolidated cash position of UNMIH, ONUCA/ONUSAL, UNPREDEP, UNPF, UNTAES/Civilian Police Support Group, UNAVEM/MONUA, UNOMUR/UNAMIR, UNMLT, UNMOT, UNTAG, UNOMIL and UNIIMOG as at 30 June 2003
(Thousands of United States dollars)

Category	*Amount*
Cash assets	375 620
Less: Liabilities	153 186
Less: Amount to be returned to Member States[a]	43 750
Cash available for credit to Member States as at 30 June 2003	**178 684**
Less: Amount to be returned to Member States by 30 June 2004	84 446
Cash available for credit to Member States	**94 238**

[a] Amounts represent the respective share of Member States in the cash balance of UNPF and UNMIH as at 30 June 2002 that remain outstanding pending receipt of their assessed contributions for the funding of the strategic deployment stocks (General Assembly resolution 56/292 of 27 June 2002).

5. The composition of the net cash balance of $94,238,000 in the respective missions is shown in table 2 below.

Table 2
Closed peacekeeping missions with additional cash balances as at 30 June 2004
(Thousands of United States dollars)

Mission	*Amount*
UNMIH	12 065
ONUCA/ONUSAL	290
UNPREDEP	2 898
UNPF	43 030
UNTAES	7 597
UNAVEM/MONUA	12 698
UNOMUR/UNAMIR	7 690
UNMLT	114
UNMOT	1 597
UNTAG	(478)
UNOMIL	2 566
UNIIMOG	4 171
Total	**94 238**

6. Loans totalling $152 million that were made between 30 June 2003 and 31 March 2004 in order to sustain operations, and detailed in the note of 1 March 2004 (A/58/723) have been fully repaid and do not negatively impact the above cash balances.

7. Six of the 18 peacekeeping missions included in the present report reflected cash deficits totalling some $101 million as at 30 June 2003 due to outstanding payments of assessed contributions, as shown in table 3. In addition, the cash balance of $19,015,000 reported in the UNTAG special account as at 30 June 2003 was $478,000 less than the balance of $19,493,000 that is to be credited to Member States by 30 June 2004.

Table 3
Closed peacekeeping missions with cash deficits as at 30 June 2003
(Thousands of United States dollars)

Category	*Amount*
Cash assets	5 356
Less: Liabilities	105 877
Operating deficit as at 31 March 2004	**(100 521)**

8. The composition of the operating deficit of $100,521,000 in the respective missions is shown in table 4 below.

Table 4
Closed peacekeeping missions with cash deficits as at 30 June 2003
(Thousands of United States dollars)

Mission	*Amount*
MINUGUA	(131)
ONUMOZ	(1 489)
UNOSOM	(20 823)
UNSMIH/UNTMIH/MIPONUH	(8 438)
UNTAC	(41 881)
MINURCA	(27 759)
Total	**(100 521)**

9. By its resolution 57/323, the General Assembly also requested the Secretary-General to address the issue of outstanding dues owed to Member States from closed peacekeeping missions that are in cash deficit. The outstanding amounts owed to Member States are the direct results of non-payment of assessment by Member States.

10. As stated in the note of 1 March 2004 (A/58/723), the Security Council established a new operation in Côte d' Ivoire (UNOCI) on 27 February 2004 and on 29 February 2004 the Council declared its readiness to establish a follow-on

stabilization force in Haiti. The Secretary-General has also recommended to the Security Council that the United Nations Mission of Support in East Timor be extended for a further 12-month period beyond 20 May 2004. Discussions are also ongoing in the Security Council regarding potential United Nations operations in Burundi and the Sudan.

11. The cash available in the Peacekeeping Reserve Fund as at 31 March 2004 amounted to $150,300,000 inclusive of interest income of $11,046,000 and is envisaged to finance the immediate start-up requirements of up to three new operations. As indicated in the preceding paragraph, UNOCI and the potential peacekeeping operations will exceed the limits that currently exist for the Fund. The budget for UNOCI will be submitted for the consideration of the General Assembly at the second part of its resumed fifty-eighth session. Should the Security Council decide to authorize the potential new operations, there will be a need for immediate cash requirements before the General Assembly is in a position to review and approve the related budgets and the amounts to be assessed. Therefore, in this situation, the Assembly will be requested to authorize interim funding with assessment, until the submission of the budgets for these operations in the main part of the fifty-ninth session in fall 2004.

12. Although the UNOCI budget will be approved at the resumed fifty-eighth session and the Assembly will be requested to authorize interim funding with assessment for financing of the new operations, the Peacekeeping Reserve Fund will be the means of financing all of these operations until assessments are collected. Experience has shown that there is a significant time lag of about 60 to 120 days between the issuance of assessments and the collection of contributions. Consequently, the available cash in the Peacekeeping Reserve Fund ($150.3 million) would be insufficient to meet all of the foreseeable cash requirements in the first quarter of the upcoming financial year. It is of critical importance that adequate funding be available to the new peacekeeping operations in the beginning stages so that procurement of equipment, goods and services, including arrangement for emplacement of military and police personnel and the recruitment of civilian staff be achieved within the planned time frames.

II. Action to be taken by the General Assembly

13. **The Secretary-General proposes that, following the crediting of $84,446,000 to Member States by 30 June 2004 in accordance with Assembly resolution 58/288, the remaining cash available totalling $94,238,000 be retained until 31 October 2004 to supplement the Peacekeeping Reserve Fund in order to finance the initial requirements of the new peacekeeping operations.**